AQ July 9, 1996

MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION REFORM)
ASSISTANT SECRETARY OF THE ARMY (RESEARCH DEVELOPMENT & ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH DEVELOPMENT & ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)

SUBJECT: Single Process Initiative Quarterly Report

As requested in your letter of December 8, 1995, we have prepared this quarterly report describing the progress achieved in replacing multiple government-unique management and manufacturing requirements in existing contracts. We are encouraged by the progress we have made and are committed to continued success in implementation of the program. We are close to additional block change modifications at a number of our facilities.

We currently have sixty-nine contractors who have submitted 194 concept papers proposing to streamline 264 processes (attachment 1) of which 166 are technically related and 98 are business related. I have attached data on the contractors and processes involved and some input from my field commands concerning lessons learned (attachments 2-9). Analysis of the data in the attachments and data indicate that we have seen significant increase in activity since the last quarterly. I expect this increase to continue and possibly escalate.

On May 17, 1996, Mr. Daniel Goldin, NASA Administrator, issued a policy letter that expressed his enthusiastic support of the single process initiative. He included implementing guidelines which meld well into our process and NASA is now represented with a full member on our Block Change Management Team. FAA has also designated a representative and has, in coordination, a FAA policy letter on their involvement in the initiative. Our Contract Administration Offices are coordinating with NSA, as required, to solicit their involvement at the facility level.

I am pleased with the progress being made in the single process initiative. SPI and the block change techniques are proving effective to the point that consideration needs to be given to institutionalizing them on a permanent basis. I expect significant future growth in the number of concept papers and am committed to ensuring that all stakeholders are involved in the process. Industry has been especially supportive; however, most of the completed block changes have addressed fairly "easy to do processes."

In our previous quarterly we reported on a number of issues. Following is an update on these issues and some new issues of which you should be aware:

a. The issue of consideration has been worked, although it is still a concern. We have executed 17 modifications with 15 companies modifying 57 processes. Where consideration was appropriate, our local field offices have recouped it in acceptable forms, primarily as goods and services. Most of the modifications, to date, have been no-cost. We have, however, definitized consideration at three contractors with a value of $5,972,000.

b. The government/industry team I chartered to review those situations where a prime contractor is also a subcontractor completed their efforts and a final report has been issued and forwarded to you. I believe that the recommendations will help to ensure that the potential efficiencies of this initiative are more fully realized.

c. The DoD IG reviews continue. Preliminary findings have been shared with us and are encouraging to date. We await the full report.

d. The issue of specifications and standards which have been canceled without replacement continues to be a difficult area at some locations. We need to assure that substitute contract language adequately protects the interests of the Government without defeating the purpose of the initiative.

e. I am confident that the issues related to the assignment of component team leaders have, for the most part, been resolved. While the workload associated with a component team leader is significant, working as a team and communication can assure success.

f. We now have guidance related to changes affecting a law or regulation. We have attempted to impose an expedited review process within DCMC and push for rapid transmission to those who can effectuate the changes.

g. Industry remains very concerned about preventing "old specifications" from creeping into future contracts. They fear this will cause them to revert from the single process agreed to on current contracts. We also continue to receive reports of a lack of sufficient awareness of the single process initiative at working levels within DoD. I have a chartered a government/industry team to explore various communication issues and recommend ways that buying activities can be informed of single processes implemented at contractor facilities.

Top down involvement, constant communications and effective teaming are the most critical factors ensuring the success of the single process initiative. The responsibilities of the Administrative Contracting Officers and the Component Team Leaders require the full dedicated support of everyone on the management councils and at all levels of DoD. The 120-day streamlined process is proving to be tough to achieve and we cannot afford to waste time. This is a big deal about which we in DCMC are ultra serious. We, along with our partners in industry, the services and DCAA, are succeeding and we will continue to succeed.

Any specific questions or concerns can be directed to Mr. Jim Bauer, DCMC Single Process Initiative Manager, at 703-767-2471.

(Signed)
ROBERT W. DREWES
Major General, USAF
Commander

Attachments

cc:
Mr. Dan Goldin
Dr. Kenneth Oscar
Mr. Daniel Porter
Ms. Darleen Druyun
VADM Lockard
Maj Gen Hallin
VADM Straw

Summary Report (as of Jun 28, 1996)

Concept Papers

Number Of Contractors with Concept Papers: 69
Key Customer Notification Complete: 64
Component Team Leaders Identified: 44
Number of Concept Papers Received: 194
Concept Papers Withdrawn: 13

PROCESSES

Concept papers may contain multiple processes

Total Proposed Process Changes: 264

Proposal Development - Concept Paper - (30 Days)

Number Initially Accepted : 198
Not Accepted Within 30 Days: 52

Approval Cycle - Customer Notification and Agreement - Resolution of Differences - (60 days)

Found Technically Acceptable: 75
Found Unacceptable: 6

Components objecting

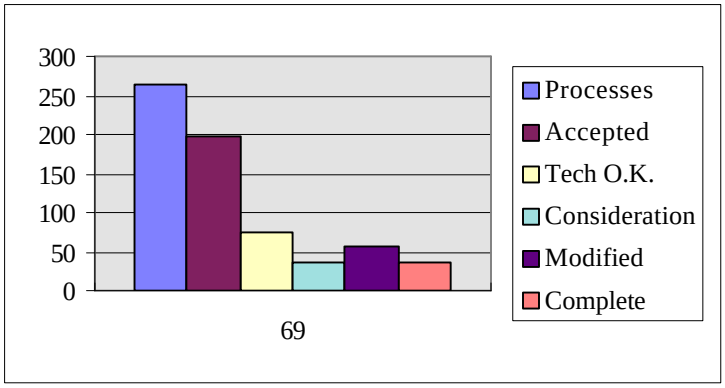
AF	ArmyNavy	DLA	DCMC	
6	3	6	0	2

Disagreements/Problems Escalated: 1
Not approved within 60 days: 70

Modification Issuance - Negotiation of Consideration (30 Days)

Processes Modified: 57
All Actions Complete: 37
Not Modified within 30 days: 14

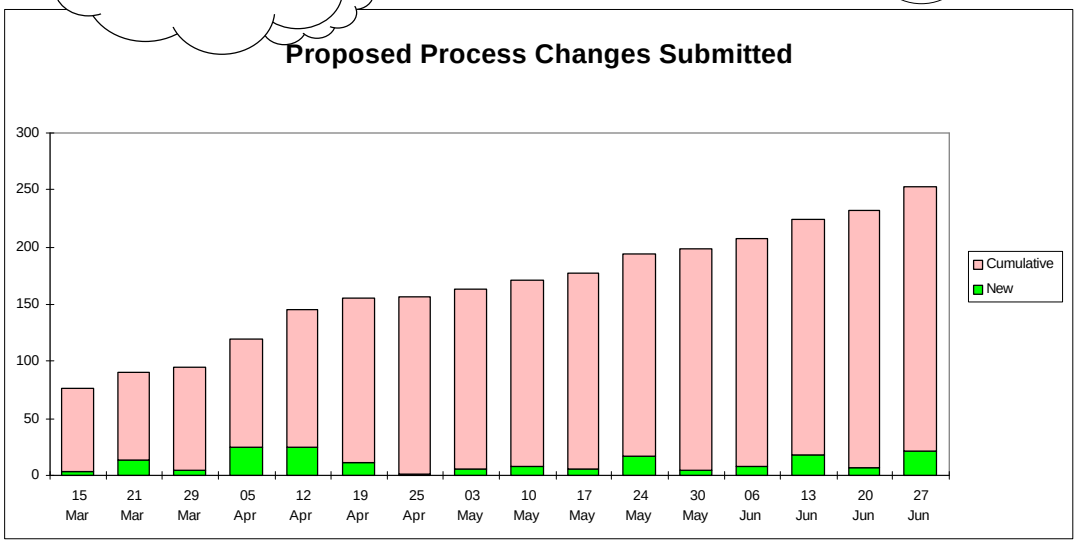
Consideration Requested by Government: 37
Cost Proposals Received: 35
Consideration Finalized: 16
Average Days From Submittal to Mod: 95
Currently Active: 201



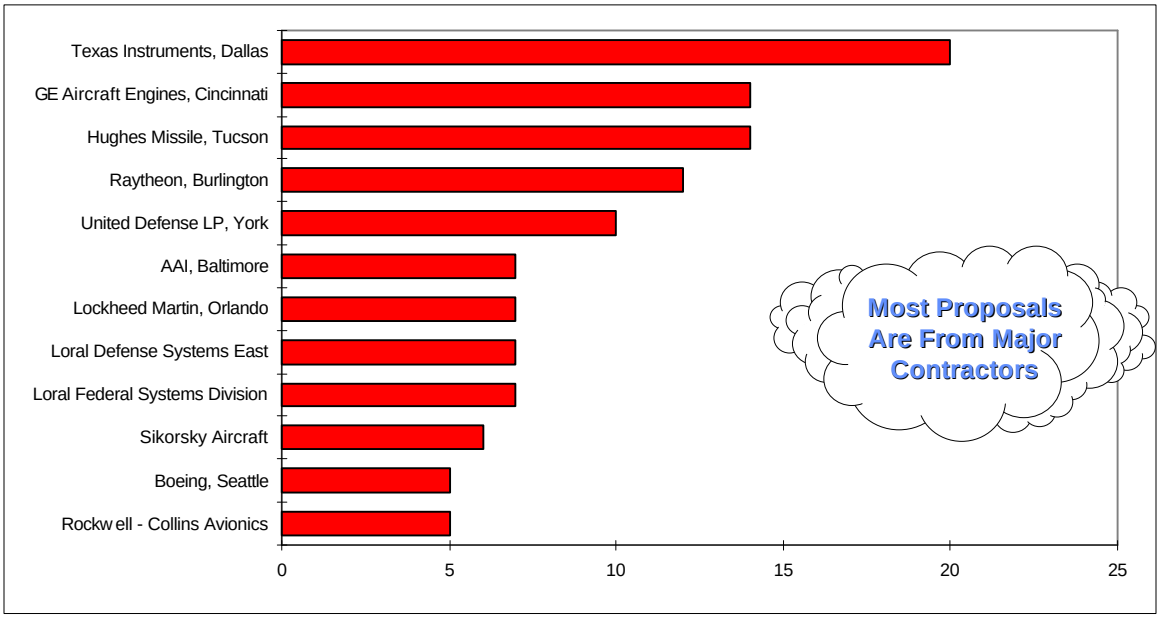
Proposed Process Changes Submitted

194 Concept Papers Affecting 264 Processes

Modifications Completed on 57 Processes

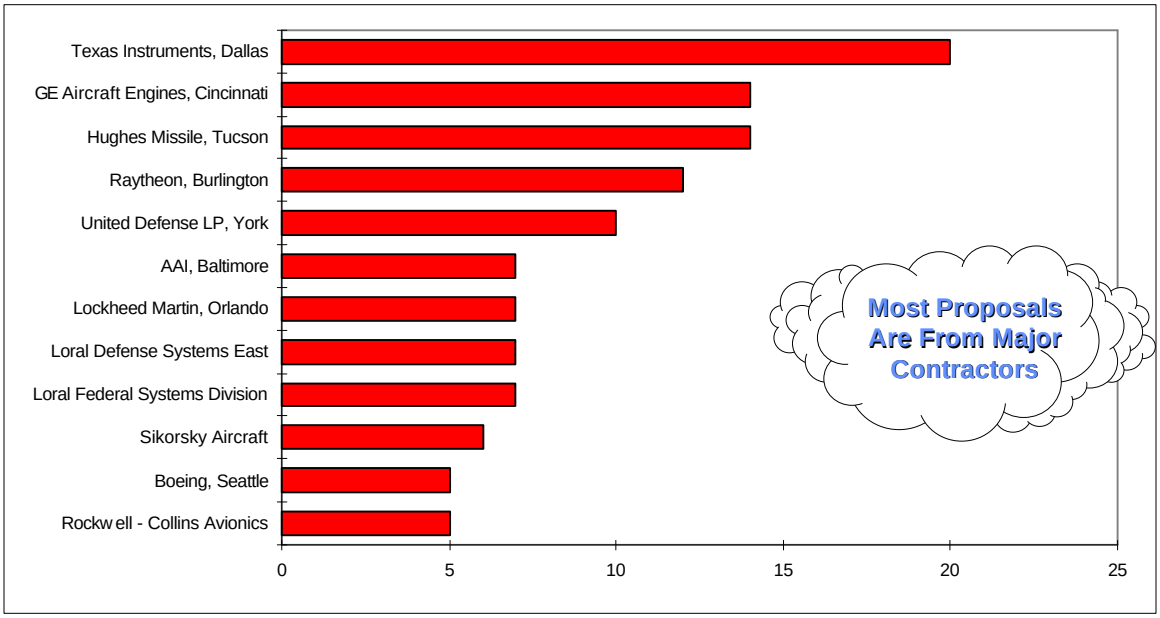


Process Changes Submitted By Contractors

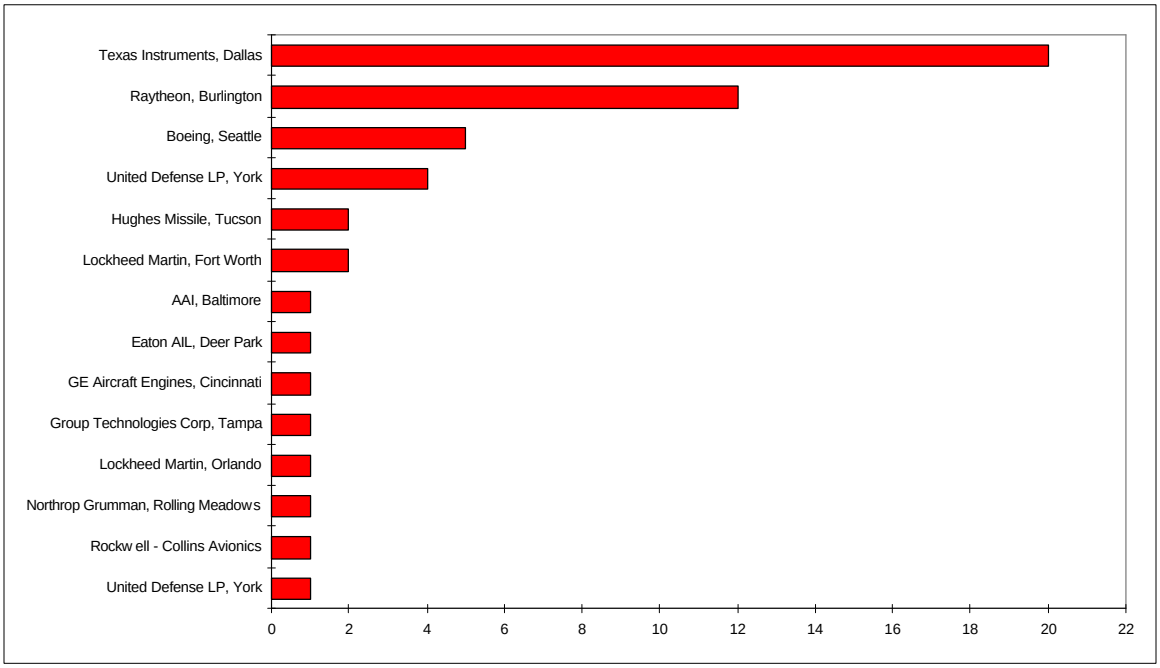


Most Proposals Are From Major Contractors

Process Changes Submitted By Contractors



Processes Modified by Block Change



Contractors in Program *June 28, 1996*

Name/Location of Contractor Papers	CAO	No of Concept
AAI Corporation, Hunt Valley, MD	DCMC Baltimore	7
AeroThrust Corporation, Miami, FL	DCMC Orlando	1
Allied Signal Engines, Phoenix, AZ	DCMC Phoenix-Scottsdale, Allied Signal Engines	1
Allison Engine Company, Indianapolis, IN	DCMC Indianapolis	4
Allison Transmission Division, Indianapolis, IN	DCMC Indianapolis, Allison Transmission	1
Ametek Aerospace Products Inc.	DCMC Boston	0
Boeing Defense & Space Group, Seattle, WA	DCMC Boeing Seattle	5
Chrysler Technologies, Waco, TX	DCMC Dallas-Arlington/Waco	1
Computing Devices International, Bloomington, MN	DCMC Twin Cities	2
Eaton Corp. AIL Systems, Deer Park, NY	DCMC Long Island	1
ESAB Group, Inc.,	DCMC Cleveland	1
Ferrotherm Company, Inc	DCMC Cleveland	1
G.E. Aircraft Engines, Cincinnati, OH & Lynn, MA	DCMC GE Aircraft Engines - Cincinnati, OH & Lynn, MA	14
GEC-Marconi Sensors LTD, Basildon, Englan	DCMC United Kingdom - Rochester	1
Group Technologies Corp., Tampa FL	DCMC Clearwater	1
Grumman Aerospace Corp., Great River, NY	DCMC Grumman Bethpage	1

Contractors in Program *June 28, 1996*

Name/Location of Contractor Papers	CAO	No of Concept
Harris Electronic Systems Sector (ESS), Palm Bay, FL	DCMC Orlando	1
Honeywell, Inc., Albuquerque, NM	DCMC Phoenix - DCMC Albuquerque	1
Hughes Aircraft Company/Electro-Optical Systems, Los Angeles, CA	DCMC Hughes Los Angeles	2
Hughes Missile Systems Company, Tucson AZ	DCMC Hughes - Tucson	1
ITT Aerospace/Communications Division, Fort Wayne, IN	DCMC Indianapolis - ITT	1
ITT Avionics, Clifton, NJ	DCMC Springfield	2
ITT Industries, ITT Defense & Electronics, Van Nuys, CA	DCMC VAN NUYS	4
ITT Night Vision, Roanoke, VA	DCMC Baltimore	3
Labarge Electronics, Tulsa, OK	DCMC Dallas	0
Lockheed Martin Aeronautical Systems, Marietta, GA	DCMC Lockheed Martin Marietta	3
Lockheed Martin Aeronutronic, Santa Margarita, CA	DCMC Santa Ana	1
Lockheed Martin Astronautics, Denver, CO	DCMC Lockheed Martin Astronautics Denver	5
Lockheed Martin Defense Systems (LMDS)	DCMC Lockheed Martin Pittsfield	1
Lockheed Martin Tactical Aircraft Systems, Ft. Worth	DCMC Lockheed Martin Fort Worth	5
Lockheed Martin Vought Systems, Dallas, TX	DCMC Lockheed Martin Vought Systems	3
Lockheed Martin, Electronics and Missiles, Orlando	DCMC Lockheed Martin, Orlando	19

Contractors in Program *June 28, 1996*

Name/Location of Contractor Papers	CAO	No of Concept
Lockheed Martin, Govt. Comm. Sys., Camden, NJ	DCMC Lockheed Martin - Delaware Valley	2
Lockheed Martin, Govt. Elect. Sys., Camden, NJ	DCMC Lockheed Martin - Delaware Valley	6
Lockheed Martin, Johnson City, NY	DCMC Syracuse	4
Lockheed Martin, Syracuse, NY	DCMC Syracuse	4
Loral Defense System East, Great Neck, NY	DCMC Unisys	7
Loral Federal Systems Division-Owego, Owego, NY	DCMC Loral Owego	7
Loral Western Development Labs, San Jose, CA	DCMC San Francisco	1
Magnavox Electronic Systems Company, Ft. Wayne, IN	DCMC Indianapolis-Magnavox	2
McDonnell Douglas Aerospace, Huntington Beach, CA	DCMC McDonnell Douglas Aerospace	1
McDonnell Douglas Corporation, St. Louis, MO	DCMC McDonnell Douglas, St. Louis	3
McDonnell Douglas Helicopter Systems, Mesa, AZ	DCMC Phoenix	1
Motorola, Scottsdale, AZ	DCMC Phoenix-Scottsdale	2
Northrop Grumman Electronic Warfare Systems	DCMC Chicago	1
Northrop Grumman Vought Aircraft, Dallas, TX	DCMC Northrop Grumman Vought	1
Northrop Grumman, Combat Support Systems West, Hawthorne, CA	DCMC Northrop Grumman Hawthorne	1

Contractors in Program *June 28, 1996*

Name/Location of Contractor Papers	CAO	No of Concept
Northrop Grumman, DSSD, Hawthorne, CA	DCMC Northrop Grumman, Hawthorne, CA	1
Northrop Grumman, MASD, Hawthorne, CA	DCMC Northrop Grumman, Hawthorne, CA	3
Oshkosh Truck, Oshkosh, WI	DCMC Chicago - Milwaukee	3
Pemco Aeroplex, Inc., Birmingham, AL	DCMC Pemco Aeroplex	1
Raytheon - Massachusetts	DCMC Raytheon	2
Raytheon Aircraft Company (RAC), Wichita, KS	DCMC Wichita	2
Rocketdyne, Rockwell International	DCMC Canoga Park	0
Rockwell - Collins Avionics and Communications Div., Cedar Rapids, IA	DCMC Twin Cities	5
Rockwell International Corporation, Duluth, GA	DCMC Atlanta - Rockwell Duluth	1
Rockwell International, Communication Systems Division	DCMC Dallas - Rockwell International	1
Sikorsky Aircraft Corporation, Stratford, CT	DCMC Sikorsky Aircraft	6
Snap-Tite Inc.	DCMC Cleveland	1
Stanford Telecommunications, Inc., Colorado Springs, CO	DCMC Denver	0
Stokely USA Inc, Oconomowoc, WI	DCMC Chicago - Milwaukee	0
Talley Defense Systems, Inc., Mesa, AZ	DCMC Phoenix-Arizona Medium Team	1
Texas Instruments - Dallas TX	DCMC Texas Instruments	1
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Contractors in Program *09-Jul-96*

Name/Location of Contractor Papers	CAO	No of Concept
Trescomp, Quincy, ILL	DCMC St. Louis	1
TRW, Redondo Beach, CA	DCMC Van Nuys/TRW	1
United Defense LP, Armament Systems Division	DCMC Twin Cities - Minneapolis	1
United Defense LP, Ground Systems Div. York, PA	DCMC UDLP, York PA	10
Westinghouse Electric Corporation, Baltimore, MD	DCMC Westinghouse Electric Corporation - Baltimore	2
Wisconsin Ordinance Works, LTD, Winnebago, WI	DCMC Chicago - Milwaukee	1

Business Processes June 28, 1996

Military Requirement	Number
CDRL for C/SCSC	2
Cost Performance Report	2
Current Certification Requirements	2
FAR 45.5 and FAR 52.245-18	2
FAR 45.505 and 45.508	2
First Article Approval	2
MIL-I-45208A	2
MIL-Q-9858A	2
MIL-STD-965	2
Advance Notification/Consent	1
Annual ADPE Review, FAR 31.205-2	1
Assembly/Soldering Requirements	1
CAS Certification by Subcontractors FAR30.201-3	1
CDRL-First Article Testing Report	1
Certificate of Non Segregated Facilities	1
Certification - Cost&Pricing Data	1
Commercialization of Technical Publications	1
Common Packaging Processes	1
Contractor Acquired Material Requirements	1
Control of GFP less than $5000 FAR45.505	1
Cost C/SCS	1
Cost Schedule Reporting	1
Current business procedures	1

Business Processes June 28, 1996

Military Requirement	Number

Current Property Dollar Thresholds	1
Current utilization requirements for ST/STE	1
Cyclical Audits	1
Data Requirements	1
DD Form 375, Production Progress Report	1
Deletion of Inventory Schedule for Scrapped STE&OPE	1
Deletion of Inventory Schedule for Special Tooling	1
DFARS Requirements	1
DOD-STD-2167A and DOD-STD-2168	1
Dollar Threshold for Property Disposition Schedules	1
EEO PreAward Clearance	1
Elimination of Patent Rights Interim Reports	1
Environmental Stress Screening and Vibration Test	1
FAR 11.6 FAR 52.211-15 DPAS	1
FAR 52.216-7 and 52.232-7, Public Vouchers	1
FAR 52.245-2	1
GI 96-008 (ATD001)	1
Governent Property	1
Government Approved Procurement System	1
Government Property Requirements	1

Business Processes June 28, 1996

Military Requirement	Number
Government Subcontract Requirement	1
Ground Flight Risk DFARS 252.228-7001	1
Hazardous Materials Management Program	1
ILS Requirements	1
LMAS Block Change 90-003	1
LMAS Block Change 90-004	1
MIL-I-8500	1
MIL-Q-9858, MIL-STD-1586, MIL-I-45208	1
MIL-STD 9858	1
MIL-STD-109B	1
MIL-STD-129 Marking	1
MIL-STD-130 Marking	1
MIL-STD-1520	1
MIL-STD-1528A, Manufacturing Management Program	1
MIL-STD-1535, Supplier Quality	1
MIL-STD-1567A	1
MIL-STD-1567A - Compliant Work Measurement	1
MIL-STD-2000, 2000A	1
MIL-STD-2000, 2000A, NAWC2000B	1
MIL-STD-2000,MIL-S-45743,MIL-STD-45	1
MIL-STD-2073, MIL-STD-1367A	1

Business Processes June 28, 1996

Military Requirement	Number
MIL-STD-275, Printed Wiring for Electronic Equipment	1
MIL-STD-454, MIL-STD-2000A, MIL-P_28809A and MIL-C-28809B.	1
MIL-STD-45662A	1
MIL-STD-470	1
MIL-STD-470 - Maintainability Program for Systems & Equipment	1
MIL-STD-882C	1
MIL-STD-965, Parts Control Program, MIL-STD-454, MIL-E-5400, MIL-STD-883	1
MIL-STD-9858	1
MIL-STD-9858A	1
MIL-STDS-1520	1
Military Specification Packaging	1
MILSTD-45662	1
MILSTRIP Requisitioning thru DAMES by MDHS	1
Packaging requirements	1
Paint Acceptance Criteria	1
Paint Testing	1
Property Review System	1
Property Scrap Procedures	1
Reduced Low Value Property Administration	1
Requirement for Subcontract Terminations	1
Scheduled Reviews	1

Business Processes June 28, 1996

Military Requirement	Number

Small Business Subcontracting Plan	1
Termination Process	1
Utilization charges for GFP	1
Various FAR, DFAR and other related statutory requirements	1

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Technical Processes

June 28, 1996

Military Requirement	Number
MIL-Q-9858A	28
MIL-STD-45662	12
MIL-STD-1520	10
MIL-STD-2000	6
MIL-STD-1535	5
MIL-I-45208	2
MIL-Q-9858	2
MIL-STD-1519 etc.	2
MIL-STD-1686	2
MIL-STD-275	2
MIL-STD-45662A	2
MIL-STD-965	2
DOD-S-7935A and DOD-S-1703(NS)	1
ANSI/ASQC Q92-1987	1
Calibration Standard	1
Class II ECPs - Government concurrence	1
Configuration	1
Control Testing	1
Current ECP Class 2 Approval Requirements	1
Current Specs and Standards on Parts Control	1
Current Tech Data test requirements	1
Delete Annual Re-Certification of Test Stations	1
Discontinuities ranging from 1/8" to 2”	1

Technical Processes — June 28, 1996

Military Requirement	Number
DoD-STD-100	1
DOD-STD-2167A, Software Development	1
DOD-STD-2168	1
Electrical Component Testing	1
Eliminate Completion of Material Inspection and Receiving Report, DDForm 25	1
Encapsulation	1
Environmental Stress Screening Requirements	1
Hybrid Microelectronics Assembly	1
Manufacturing Requirements	1
MIL-C-28809	1
MIL-E-5400	1
MIL-I-45208A	1
MIL-I-46058	1
MIL-M-9868	1
MIL-P-55110	1
MIL-P-55110, Printed Wiring Board	1
MIL-Q-9858, FAR 52.246-X	1
MIL-Q-9858, MIL-I-4508, MIL-STD-45662, and FAR 52-246	1
MIL-Q-9858, MIL-I-45208	1
MIL-Q-9858, MIL-Q-45208, MIL-STD-45662, MIL-STD-1520, MIL-STD-1535	1
MIL-Q-9858A & MIL-I-45208	1
MIL-Q-9858A and MIL-I-45208	1

Technical Processes — June 28, 1996

Military Requirement	Number

MIL-Q-9858A, AR-92	1
MIL-Q9858A, MIL-I-45208	1
MIL-STD-100(E), MIL-S-129, MIL-S-130, MIL-S-1285	1
MIL-STD-105e	1
MIL-STD-1130	1
MIL-STD-1235	1
MIL-STD-1367A	1
MIL-STD-1520 B/C and NASA NHB 5300.4	1
MIL-STD-1520 C	1
MIL-STD-1520, Corrective Action and Disposition System for Nonconforming Material	1
MIL-STD-1521 & AR-70-37	1
MIL-STD-1521 Audits for Computer Software	1
MIL-STD-1535 Supplier Quality	1
MIL-STD-1535, Supplier Quality	1
MIL-STD-1535A	1
MIL-STD-1686 & MIL-B-81705	1
MIL-STD-1686, DOD-STD-1686	1
MIL-STD-1695	1
MIL-STD-186 Stainless Steel Passivation	1
MIL-STD-1949 methods of inspection	1
MIL-STD-2000, Certification of Contractor Personnel	1
MIL-STD-2000, MIL-STD-2000A	1

Technical Processes

June 28, 1996

Military Requirement	Number
MIL-STD-2000, MIL-STD-454	1
MIL-STD-2000A	1
MIL-STD-2000A, MIL-STD-454	1
MIL-STD-2076	1
MIL-STD-2110	1
MIL-STD-454	1
MIL-STD-454, MIL-STD-480 etc.Test Equipment Certification	1
MIL-STD-454N	1
MIL-STD-480 and 973	1
Mil-STD-480, 480A, 480B,483,483A,973	1
MIL-STD-480, MIL-S-973, DOD-S-2167	1
MIL-STD-480B, MIL-STD-973,NUW C-NPT-TD6261C	1
MIL-STD-490 & MIL-S-83490	1
MIL-STD-490/490A, Specification Practices	1
MIL-STD-498, MIL-STD-1521B, MIL-STD-2168	1
MIL-STD-973	1
MIL-STD-9858A	1
MIL-T-28800	1
MIL-W-5088	1
Military Configuration Control Specs/STDs	1
Military Configuration Requirements	1
Military Software Development	1

Technical Processes

June 28, 1996

Military Requirement	Number
Military Specs and STDS Revision	1
Military Specs/STDS apply at all tiers	1
NAVMAT p-4855-1	1
MIL-I-46058	
Paint Specs and Standards	1
Physical Configuratin Audit Requirements	1
Quality Audits	1
Reduced Receiving and Source Inspection	1
Requirement for Rescreening of Parts	1
Sampling Plan	1
Software Capability Evaluations	1
Soldering Testing	1
TT-C-490 Method 1,II or III	1
Various Cleaning Requirements	1
Welding	1

SPI Lessons Learned (as reported by DCMC field offices)

28 Jun 96

1. Use of the IPT approach to Common Processes/Block Changes is the best approach for addressing unforeseen/challenging issues in a timely manner.

2. The DCMC Customer Liaisons can be useful for resolving issues/barriers at Buying Activities. Keep the Customer Liaisons informed of concept papers involving their Activities.

3. Ensure that DLA Inventory Control Points (ICPs) are involved early-on in the technical discussions of concept papers. ICP representatives should be made part of the Management Councils were appropriate.

4. CAOs should work with the Component Team Leads to establish a database of names, addresses, and telephone numbers for program managers/contracting officers for each contract at a facility. This will be a useful tool for coordinating future concept papers.

5. Contractors should be encouraged to establish training programs for Government personnel to train them on the new processes being established at contractor facilities.

6. Posting SPI information/status on the World Wide Web is a useful way of disseminating the information to all involved parties.

7. Involve DCAA and DCMC technical personnel early in evaluating concept papers.

8. At some locations, Block Changes requires almost a full-time effort by the Component Team Leaders and DCMC personnel. Management needs to ensure availability of key personnel.

9. DCMC and Contractor personnel visits to Component Team Leader Activities prior to initial Management Council meeting was deemed advantageous, as this helped prepare all involved parties for the ensuing discussions during the Management Council meeting.

10. Electron means of distributing Concept Papers is useful. DCMC personnel should assist Buying Activities in establishing electronic means of communication.

11. CAOs should reach an advance agreement with their contractors as to what information should be included in each concept paper.

12. Stress to the contractors that a formal proposal may not be required for each concept paper unless there are significant savings. This will save time and money. On

the other hand, work with DCAA and the contractor to ensure that the minimum amount of accounting data is provided in the Concept Papers.